



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-580-867]

Large Power Transformers from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2013-2014

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: On September 4, 2015, the Department of Commerce (the Department) published the preliminary results of the administrative review of the antidumping duty order on large power transformers from the Republic of Korea.¹ The review covers five producers/exporters of the subject merchandise, Hyosung Corporation (Hyosung), Hyundai Heavy Industries Co., Ltd. (Hyundai), ILJIN, ILJIN Electric Co., Ltd. (ILJIN Electric), and LSIS Co., Ltd. (LSIS). ILJIN, ILJIN Electric, and LSIS, were not selected for individual examination. The period of review (POR) is August 1, 2013, through July 31, 2014. As a result of our analysis of the comments and information received, these final results differ from the *Preliminary Results*. For the final weighted-average dumping margins, *see* the “Final Results of Review” section below.

DATES: *Effective Date*: [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Brian Davis (Hyosung) or Edythe Artman (Hyundai), AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482-7924 or (202) 482-3931, respectively.

¹ See *Large Power Transformers From the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2013–2014*, 80 FR 53496 (September 4, 2015) (*Preliminary Results*).

SUPPLEMENTARY INFORMATION:

Background

On September 4, 2015, the Department published the *Preliminary Results*. In accordance with 19 CFR 351.309(c)(1)(ii), we invited parties to comment on our *Preliminary Results*.² On October 16, 2015, Hyundai timely submitted a case brief and on October 19, 2015, Hyosung and ABB Inc. (Petitioner) timely submitted case briefs.³ Rebuttal briefs were also timely filed by Hyosung, Hyundai, and Petitioner, on October 27, 2015.⁴ On December 22, 2015, the Department issued a memorandum extending the time period for issuing the final results of this administrative review from January 4, 2016 to February 24, 2016.⁵ On February 29, 2016, the Department further extended the final results to March 8, 2016.⁶

Scope of the Order

The scope of this order covers large liquid dielectric power transformers (LPTs) having a top power handling capacity greater than or equal to 60,000 kilovolt amperes (60 megavolt amperes), whether assembled or unassembled, complete or incomplete. The merchandise subject

² The Department issued the briefing schedule in a Memorandum to the File, dated September 9, 2015. This briefing schedule was later extended at the request of interested parties to October 16, 2015 for briefs and October 26, 2015 for rebuttal briefs.

³ See Case Brief from Petitioner regarding Hyundai, (Petitioner Brief Hyundai), Brief from Petitioner regarding Hyosung (Petitioner Brief Hyosung), and Hyosung Brief, all dated October 19, 2015, and Hyundai Brief, dated October 16, 2015.

⁴ See Hyosung Rebuttal Brief, Hyundai Rebuttal Brief and Petitioner Rebuttal Brief: all dated October 26, 2015. Petitioner requested an extension for the briefing schedule to 30 days after Hyundai's submission of a post-verification supplemental questionnaire and an extension for filing rebuttal briefs, which the Department partially granted for all parties in a letter dated September 29, 2015 and extended in a letter dated October 13, 2015. See Letter to Petitioner dated September 29, 2015 and Letter to Petitioner dated October 13, 2015.

⁵ See Memorandum to Christian Marsh, Deputy Assistant Secretary for AD/CVD Operations, "Large Power Transformers from the Republic of Korea: Extension of Deadline for Final Results of Antidumping Duty Administrative Review; 2013-2014" (December 22, 2015).

⁶ See Memorandum to Christian Marsh, Deputy Assistant Secretary for AD/CVD Operations, "Large Power Transformers from the Republic of Korea: Extension of Deadline for Final Results of Antidumping Duty Administrative Review; 2013-2014" (February 29, 2016); see also Memorandum to the Record from Ron Lorentzen, Acting Assistant Secretary for Enforcement & Compliance, regarding "Tolling of Administrative Deadlines As a Result of the Government Closure During Snowstorm Jonas," dated January 27, 2016. As explained in this memorandum, the Department has exercised its discretion to toll all administrative deadlines due to the recent closure of the Federal Government. All deadlines in this segment of the proceeding have been extended by four business days. The revised deadline for the final determination is now March 8, 2016.

to the order is currently classified in the Harmonized Tariff Schedule of the United States at subheadings 8504.23.0040, 8504.23.0080 and 8504.90.9540.⁷

Analysis of Comments Received

All issues raised in the case and rebuttal briefs by parties to this administrative review are addressed in the Issues and Decision Memorandum.⁸ A list of the issues that parties raised and to which we responded is attached to this notice as an Appendix. The Issues and Decision Memorandum is a public document and is on-file electronically via ACCESS. ACCESS is available to registered users at <http://access.trade.gov> and in the Central Records Unit, Room B8024 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the Internet at <http://enforcement.ita.doc.gov/frn/index.html>. The signed Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Results

Based on a review of the record and comments received from interested parties regarding our *Preliminary Results*, we recalculated Hyosung's and Hyundai's weighted-average dumping margins for these final results.

For Hyosung, we revised our margin program by adjusting our treatment of Hyosung's installation revenue, indirect selling expense ratio, U.S. commission expenses, and U.S. warranty expenses.⁹ For Hyundai, we revised the margin program with respect to our treatment of bank

⁷ For a full description of the scope of the order, see the Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, titled "Issues and Decision Memorandum for the Final Results of the Administrative Review of the Antidumping Duty Order on Large Power Transformers from the Republic of Korea; 2013-2014" (Issues and Decision Memorandum), which is issued concurrently with, and hereby adopted by, this notice.

⁸ *Id.*

⁹ See Memorandum from Brian Davis to the File, regarding "Analysis of Data Submitted by Hyosung Corporation in the Final Results of the Administrative Review of the Antidumping Duty Order on Large Power Transformers from the Republic of Korea; 2013-2014" (Hyosung Final Analysis Memorandum), dated March 23, 2014, at section

charges and packing expenses incurred in the home market, installation and supervision expenses incurred in both markets, domestic inventory carrying costs and U.S. credit expenses, and U.S. commission expenses.¹⁰

As a result of the aforementioned recalculations of Hyosung's and Hyundai's weighted-average dumping margins, the weighted-average dumping margin for the three non-selected companies also changed.

Final Results of the Review

As a result of this review, the Department determines the following weighted-average dumping margins¹¹ for the period August 1, 2013, through July 31, 2014, are as follows:

Manufacturer/Exporter	Weighted-Average Margin (percent)
Hyosung Corporation	9.40
Hyundai Heavy Industries Co., Ltd.	4.07
ILJIN Electric Co., Ltd.	6.74
ILJIN	6.74
LSIS Co., Ltd.	6.74

“Changes from the Preliminary Results,” for further information.

¹⁰ See Memorandum from Edythe Artman to the File, regarding “Analysis of Data Submitted by Hyundai Heavy Industries Co., Ltd. in the Final Results of the Administrative Review of the Antidumping Duty Order on Large Power Transformers from the Republic of Korea; 2013-2014” (Hyundai Final Analysis Memorandum), dated March 23, 2014, at section “Changes from the Preliminary Results,” for further information.

¹¹ As we did not have publicly-ranged U.S. sales volumes for Hyosung for the period August 1, 2013, through July 31, 2014, to calculate a weighted-average percentage margin for the non-selected companies (*i.e.*, ILJIN, ILJIN Electric, and LSIS) in this review, the rate applied to the non-selected companies is a simple-average percentage margin calculated based on the margins calculated for Hyosung and Hyundai.

Duty Assessment

The Department shall determine and U.S. Customs and Border Protection (CBP) shall assess antidumping duties on all appropriate entries.¹² For any individually examined respondents whose weighted-average dumping margin is above *de minimis*, we calculated importer-specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for the importer's examined sales to the total entered value of those same sales in accordance with 19 CFR 351.212(b)(1). Upon issuance of the final results of this administrative review, if any importer-specific assessment rates calculated in the final results are above *de minimis* (*i.e.*, at or above 0.5 percent), the Department will issue instructions directly to CBP to assess antidumping duties on appropriate entries.

To determine whether the duty assessment rates covering the period were *de minimis*, in accordance with the requirement set forth in 19 CFR 351.106(c)(2), for each respondent we calculated importer (or customer)-specific *ad valorem* rates by aggregating the amount of dumping calculated for all U.S. sales to that importer or customer and dividing this amount by the total entered value of the sales to that importer (or customer). Where an importer (or customer)-specific *ad valorem* rate is greater than *de minimis*, and the respondent has reported reliable entered values, we apply the assessment rate to the entered value of the importer's/customer's entries during the review period.

We intend to issue assessment instructions directly to CBP 15 days after publication of the final results of this review.

¹² In these final results, the Department applied the assessment rate calculation method adopted in *Antidumping Proceedings: Calculation of the Weighted-Average Dumping Margin and Assessment Rate in Certain Antidumping Proceedings: Final Modification*, 77 FR 8101 (February 14, 2012).

Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of this notice for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication of these final results, as provided by section 751(a)(2) of the Act: (1) the cash deposit rate for respondents noted above will be the rate established in the final results of this administrative review; (2) for merchandise exported by manufacturers or exporters not covered in this administrative review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company specific rate published for the most recently completed segment of this proceeding; (3) if the exporter is not a firm covered in this review, a prior review, or the original investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the manufacturer of the subject merchandise; and (4) the cash deposit rate for all other manufacturers or exporters will continue to be 22.00 percent, the all-others rate established in the antidumping investigation.¹³ These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers Regarding the Reimbursement of Duties

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping and/or countervailing duties prior to liquidation of the relevant entries during the POR. Failure to comply with this requirement could result in the Department's presumption that reimbursement of antidumping and/or countervailing duties occurred and the subsequent assessment of doubled antidumping duties.

¹³ See *Large Power Transformers From the Republic of Korea: Antidumping Duty Order*, 77 FR 53177 (August 31, 2012).

Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective orders (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return/destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213(h).

Dated: March 8, 2016.

Paul Piquado,
Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Final Issues and Decision Memorandum

- I. Summary
- II. List of Issues
- III. Background
- IV. Scope of the Order
- V. Discussion of Interested Party Comments

A. General Issues

- Comment 1: The Use of Constructed Value to Calculate Normal Value
- Comment 2: Whether the Department Should Apply the Transaction-to-Transaction Method, and Whether the Department Should Alter Its Application of Differential Pricing in this Administrative Review

B. Hyosung -Specific Issues

- Comment 3: The Department's Capping of Certain Expense Revenues
- Comment 4: The Department's Adjustment to Home Market Warranty Expenses and Indirect Selling Expenses
- Comment 5: The Department's Treatment of Ocean Freight Revenue
- Comment 6: The Department's Treatment of U.S. Commission Expenses
- Comment 7: Clerical Error Related to U.S. Direct Selling Expenses

C. Hyundai Heavy Industries Co., Ltd.-Specific Issues

- Comment 8: Hyundai's Reporting of Constructed Value
- Comment 9: The Department's Treatment of U.S. Commission Offset
- Comment 10: Hyundai's Failure to Report Reimbursed Expenses
- Comment 11: Hyundai Reporting of U.S. and Home Market Dates of Sale
- Comment 12: Hyundai's Reported Installation and Supervision Expenses
- Comment 13: Hyundai's Calculations of Indirect Selling Expenses for the Home and U.S. Markets
- Comment 14: Hyundai's Failure to Provide Audited 2013 Financial Statements for Hyundai Corporation (Korea)
- Comment 15: Application of Adverse Facts Available to Hyundai
- Comment 16: Hyundai's Reporting of U.S. Credit Expenses
- Comment 17: Hyundai's Reporting of Bank Charges Incurred on its U.S. Sales
- Comment 18: Hyundai's Reporting of U.S. Brokerage Expenses
- Comment 19: Hyundai's Reporting of U.S. Inland Freight Expenses for U.S. Sales that Included Spare Parts
- Comment 20: Hyundai's Reporting of its U.S. Supervision Costs
- Comment 21: Verification of Amounts Reported by Hyundai for Warranty Expenses and Domestic Indirect Selling Expenses Incurred in the United States

- Comment 22: Hyundai's Failure to Report Inventory Carrying Costs Incurred in the United States
- Comment 23: Issues with Specific U.S. Sales
- Comment 24: Hyundai's Reporting of Insurance and Packing Expenses for Home-Market Sales
- Comment 25: Hyundai's Reporting of Home-Market Inland Trucking Expenses
- Comment 26: Hyundai's Reporting Home Market Insurance Expenses
- Comment 27: Hyundai's Reporting of Other Direct Selling Expenses
- Comment 28: Hyundai's Reporting of Actual Packing Expenses
- Comment 29: Hyundai's Reporting of Warranty Guarantee Expenses
- Comment 30: Correction to Hyundai's Liquidation Instructions

VI. Recommendation

[FR Doc. 2016-05940 Filed: 3/15/2016 8:45 am; Publication Date: 3/16/2016]